

# State Tax Commission

Analyst: Hancock

## Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
<b>BY PROGRAM</b>					
General Services	15,338,100	14,598,400	7,713,900	7,901,400	7,302,800
Audit and Collections	13,372,100	13,138,800	13,718,900	14,191,300	13,628,200
Revenue Operations	4,694,400	4,796,500	4,563,700	4,883,600	4,722,300
County Support	2,909,500	2,851,700	2,851,200	3,114,100	2,940,100
<b>Total:</b>	<b>36,314,100</b>	<b>35,385,400</b>	<b>28,847,700</b>	<b>30,090,400</b>	<b>28,593,400</b>
<b>BY FUND CATEGORY</b>					
General	31,169,600	30,504,100	24,082,100	25,235,400	23,802,600
Dedicated	5,144,500	4,817,500	4,765,600	4,855,000	4,790,800
Federal	0	63,800	0	0	0
<b>Total:</b>	<b>36,314,100</b>	<b>35,385,400</b>	<b>28,847,700</b>	<b>30,090,400</b>	<b>28,593,400</b>
Percent Change:		(2.6%)	(18.5%)	4.3%	(0.9%)
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	20,705,000	20,372,400	21,075,300	21,562,700	20,681,000
Operating Expenditures	15,065,200	13,935,100	7,589,400	8,270,200	7,805,900
Capital Outlay	543,900	1,077,900	183,000	257,500	106,500
<b>Total:</b>	<b>36,314,100</b>	<b>35,385,400</b>	<b>28,847,700</b>	<b>30,090,400</b>	<b>28,593,400</b>
Full-Time Positions (FTP)	415.00	415.00	412.00	412.00	410.00

## Division Description

The State Tax Commission has four budgeted programs: General Services, Audit and Collections, Revenue Operations, and County Support. 1.) The General Services program consists of the Commissioners, Administrative Section, Legal Section, Tax Policy Section, Information Technology Section, and the Management Services Division. This organizational structure provides for centralized management, policy development, legal, personnel, fiscal and computer services. 2.) The Audit and Collections program provides direct taxpayer service to the public from the administrative office in Boise and five field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at non-filers and administers Idaho's unclaimed property statutes. 3.) Revenue Operations administers the voluntary tax compliance program. Activities include: a) registering permit holders for sales, withholding, hotel/motel, special fuels, beer, wine, cigarette and tobacco taxes; b) ensuring that all individuals and licensed businesses are mailed proper tax forms for reporting; c) establishing taxpayer liability, as well as processing revenue and refund documents submitted by taxpayers; and d) maintaining a records system capable of providing individuals with tax documents. 4.) The County Support Program provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable, and accurate property taxation. The program is responsible: to annually appraise all class three operating property, as required by Section 63-2215, Idaho Code; to examine property tax levies of all taxing districts to ensure compliance with Idaho Code; to develop forms, procedures and computer software necessary for county assessors to appraise property; to develop an assessor's manual in order to facilitate uniformity of appraisals; and to administer property tax relief through the Circuit Breaker program.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2003 Original Appropriation</b>	<b>412.00</b>	<b>24,082,100</b>	<b>28,847,700</b>	<b>412.00</b>	<b>24,082,100</b>	<b>28,847,700</b>
Budget Reduction (Neg. Supp.)	0.00	(842,900)	(842,900)	0.00	(842,900)	(842,900)
<b>FY 2003 Total Appropriation</b>	<b>412.00</b>	<b>23,239,200</b>	<b>28,004,800</b>	<b>412.00</b>	<b>23,239,200</b>	<b>28,004,800</b>
Expenditure Adjustments	0.00	0	78,500	0.00	0	78,500
<b>FY 2003 Estimated Expenditures</b>	<b>412.00</b>	<b>23,239,200</b>	<b>28,083,300</b>	<b>412.00</b>	<b>23,239,200</b>	<b>28,083,300</b>
Removal of One-Time Expenditures	0.00	(43,900)	(238,900)	0.00	(43,900)	(238,900)
Base Adjustments	0.00	0	(6,600)	0.00	0	(6,600)
Restore Budget Reduction	0.00	842,900	842,900	(2.00)	0	0
<b>FY 2004 Base</b>	<b>412.00</b>	<b>24,038,200</b>	<b>28,680,700</b>	<b>410.00</b>	<b>23,195,300</b>	<b>27,837,800</b>
Personnel Cost Rollups	0.00	261,400	304,200	0.00	300,700	354,600
Inflationary Adjustments	0.00	64,200	91,500	0.00	0	0
Replacement Items	0.00	183,900	224,100	0.00	0	40,200
Nonstandard Adjustments	0.00	532,200	606,700	0.00	306,600	360,800
Change in Employee Compensation	0.00	155,500	183,200	0.00	0	0
<b>FY 2004 Total</b>	<b>412.00</b>	<b>25,235,400</b>	<b>30,090,400</b>	<b>410.00</b>	<b>23,802,600</b>	<b>28,593,400</b>
Change from Original Appropriation	0.00	1,153,300	1,242,700	(2.00)	(279,500)	(254,300)
% Change from Original Appropriation		4.8%	4.3%		(1.2%)	(0.9%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2003 Original Appropriation</b>	412.00	24,082,100	4,765,600	0	28,847,700

## Budget Reduction (Neg. Supp.)

The State Tax Commission has met its 3.5% General Fund budget reduction by cutting \$94,000 in operating expenditures and \$842,900 in personnel costs. The operating reductions are met by cuts in travel, FTA dues, technical training, new e-filing initiatives, and CAMA installations. The personnel reductions are met by keeping 19 vacant positions unfilled.

Agency Request	0.00	(842,900)	0	0	(842,900)
Governor's Recommendation	0.00	(842,900)	0	0	(842,900)

<b>FY 2003 Total Appropriation</b>					
Agency Request	412.00	23,239,200	4,765,600	0	28,004,800
Governor's Recommendation	412.00	23,239,200	4,765,600	0	28,004,800

## Expenditure Adjustments

Transfers positions and funds between internal programs.

Agency Request	0.00	0	0	78,500	78,500
Governor's Recommendation	0.00	0	0	78,500	78,500

<b>FY 2003 Estimated Expenditures</b>					
Agency Request	412.00	23,239,200	4,765,600	78,500	28,083,300
Governor's Recommendation	412.00	23,239,200	4,765,600	78,500	28,083,300

## Removal of One-Time Expenditures

Removes funding provided for one-time items.

Agency Request	0.00	(43,900)	(116,500)	(78,500)	(238,900)
Governor's Recommendation	0.00	(43,900)	(116,500)	(78,500)	(238,900)

## Base Adjustments

Reduces dedicated fund appropriation due to the removal of certain checkoff funds.

Agency Request	0.00	0	(6,600)	0	(6,600)
Governor's Recommendation	0.00	0	(6,600)	0	(6,600)

## Restore Budget Reduction

Agency Request	0.00	842,900	0	0	842,900
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The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.

Governor's Recommendation	(2.00)	0	0	0	0
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<b>FY 2004 Base</b>					
Agency Request	412.00	24,038,200	4,642,500	0	28,680,700
Governor's Recommendation	410.00	23,195,300	4,642,500	0	27,837,800

## Personnel Cost Rollups

Includes the employer portion of estimated changes in employee benefit costs.

Agency Request	0.00	261,400	42,800	0	304,200
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The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.

Governor's Recommendation	0.00	300,700	53,900	0	354,600
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# State Tax Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 2.4% in operating expenditures.					
Agency Request	0.00	64,200	27,300	0	91,500
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Replacement Items</b>					
Replacement Items include \$20,900 for software, \$15,700 for increased software and hardware maintenance costs, \$91,000 for seven network servers, \$65,000 for 25 computers, and \$31,500 for three production printers.					
Agency Request	0.00	183,900	40,200	0	224,100
Governor's Recommendation	0.00	0	40,200	0	40,200
<b>Nonstandard Adjustments</b>					
Non-Standard Adjustments include \$200,000 for software contract maintenance costs, \$390,500 for increased leased building space costs, \$3,000 for increased state-owned building space costs, \$45,300 for costs associated with a postal rate increase, \$96,800 for Attorney General fees, \$4,500 for risk management fees, a \$104,900 reduction in State Controller fees, and a \$28,500 reduction in State Treasurer fees.					
Agency Request	0.00	532,200	74,500	0	606,700
<i>The Governor does not recommend funding increases for software maintenance, increased state-owned building space costs, or the General Fund portion of postal rate increases.</i>					
Governor's Recommendation	0.00	306,600	54,200	0	360,800
<b>Change in Employee Compensation</b>					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	155,500	27,700	0	183,200
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2004 Total</b>					
Agency Request	412.00	25,235,400	4,855,000	0	30,090,400
Governor's Recommendation	410.00	23,802,600	4,790,800	0	28,593,400
Agency Request					
Change from Original App	0.00	1,153,300	89,400	0	1,242,700
% Change from Original App	0.0%	4.8%	1.9%		4.3%
Governor's Recommendation					
Change from Original App	(2.00)	(279,500)	25,200	0	(254,300)
% Change from Original App	(0.5%)	(1.2%)	0.5%		(0.9%)

# Tax Commission

## Issues & Information

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### Organizational Chart

